

KELLEY DRYE & WARREN LLP

A LIMITED LIABILITY PARTNERSHIP

1200 19TH STREET, N.W.

SUITE 500

WASHINGTON, D.C. 20036

(202) 955-9600

FACSIMILE

(202) 955-9792

www.kelleydrye.com

DIRECT LINE: (202) 887-1284

EMAIL: hhendrickson@kelleydrye.com

NEW YORK, NY
TYSONS CORNER, VA
LOS ANGELES, CA
CHICAGO, IL
STAMFORD, CT
PARSIPPANY, NJ
BRUSSELS, BELGIUM

HONG KONG

AFFILIATE OFFICES
BANGKOK, THAILAND
JAKARTA, INDONESIA
MUMBAI, INDIA
TOKYO, JAPAN

March 14, 2003

VIA ELECTRONIC SUBMISSION

Marlene H. Dortch, Secretary
Federal Communications Commission
The Portals
445 12th Street, S.W.
Washington, D.C. 20554

Re: Notice of *Ex Parte* Meeting by Core Communications, Inc.
WC Docket No. 02-384

Dear Ms. Dortch:

Pursuant to Section 1.1206 of the Commission's rules, I hereby submit, on behalf of Core Communications, Inc. ("Core"), in the above-captioned proceeding, this notice of an *ex parte* meeting held on March 14, 2003 between Chris Van de Verg, General Counsel of Core, Michael Hazzard of Kelley Drye & Warren, myself, and Jordan Goldstein and Jessica Rosenworcel of Chairman Copps' office. Also in attendance were Clint Odom, Karen Zacharia and Jim Pachulski of Verizon. The attached presentation and supporting materials were distributed and discussed at the meeting.

Marlene H. Dortch, Secretary

March 14, 2003

Page Two

In accordance with the Commission's rules, this letter and attachments are being filed electronically for inclusion in the public record in the above-referenced proceeding. Copies of this submission are being provided to the attendees. If you have any questions regarding this matter, please contact myself at (202) 887-1284 or Michael Hazzard at (202) 887-1240.

Respectfully Submitted,

A handwritten signature in black ink, reading "Heather Hendrickson". The signature is written in a cursive, flowing style.

Heather T. Hendrickson

Enclosures

cc: Jordan Goldstein
Jessica Rosenworcel

CORETEL

CORE COMMUNICATIONS

Verizon Section 271 Proceeding
WC 02-384

BACKGROUND

Background

- Annapolis-based carrier founded in 1997
- Facilities-based
- Became profitable in 2000
- Reinvesting profits in company
- Focused on developing telecom infrastructure used by regional Internet Service Providers
- Primary service in Maryland, Pennsylvania, and Delaware (Maryland Eastern Shore)

Success-Based Business Plan

- Core is a real, traditional startup
- Pay as you grow – build out network incrementally
 - Baltimore (1999)
 - Mt. Airy, Easton, Damascus (1999-2000)
 - New York City, Philadelphia, Pittsburgh (2001)
 - Harrisburg (2002)
 - Altoona, Salisbury, Wilkes-Barre (2003)
- Core presently accounts for over 15% of Verizon's interconnection traffic in Maryland, and substantially all of Verizon's interconnection traffic on the Eastern Shore of Maryland

Success-Based Business Plan

- Focus on what you know -- Telco needs of regional ISPs
 - Modem services (1999)
 - Bandwidth services (2000)
 - 100 Megabit Ethernet services (2001)
 - Beta electronic fax service (2002)
- As technology matures, add services
 - Unified messaging (facilities under construction)
 - IP-based voice services (facilities under construction)

CORETEL **CORE COMMUNICATIONS**

Verizon Section 271 Proceeding
WC 02-384

Agenda

- Checklist Item 1 – Interconnection
 - Entrance Facility
 - Network Modification
 - ANI

Checklist Items 2, 4, & 5– UNEs

- Dark Fiber
- Public Interest

271 Compliance

Statutory Requirement

- As stated by the FCC:

“In demonstrating its compliance, a BOC must show that it has a **concrete and specific legal obligation** to furnish the item upon request pursuant to state-approved interconnection agreements that set forth prices and other terms and conditions for each checklist items, and that it is currently furnishing, or is **ready to furnish**, the checklist item in quantities that competitors may reasonably demand and at an acceptable level of quality.” *Qwest 271 Order, FCC 02-333 Appendix K-3 (Dec. 23, 2002)*
- Verizon has not met this statutory obligation
- Although a “legal obligation” may exist, Verizon is not “furnishing” interconnection or dark fiber UNEs “at an acceptable level of quality”

Checklist Item 1 -- Interconnection

- Entrance Facility Interconnection
- Network Modifications (EB-01-MD-007)
- ANI

Checklist Item 1 – Interconnection Entrance Facility

- Verizon's entrance facility interconnection practices and policies violate checklist item (i)
- Verizon has refused in every instance to interconnect with Core over existing facilities in violation of section 251(c)(2)'s:
 - technical feasibility standard
 - equal in quality standard
 - nondiscrimination standard

Checklist Item 1 – Interconnection Entrance Facility

- Verizon's refusal to utilize existing facilities for interconnection has delayed Core's interconnection in
 - Baltimore (1999)
 - Mount Airy (1999-2000)
 - Damascus (2000-2001)
 - Salisbury (2002-2003)
- In spite of Verizon's commitment to MDPSC to interconnect with Core in Salisbury, nothing has happened to date
- Verizon's "proposed contract amendment" is inadequate
 - Never approved by the MDPSC
 - Never provisioned by Verizon
- Verizon is not "furnishing" this item

Checklist Item 1 – Interconnection Entrance Facility

- Maryland PSC has recognized Verizon's "policy" of not providing technically feasible means of interconnection
- Maryland PSC Staff Counsel "believes that it is anti-competitive to deny a CLEC access to loop facilities because it gives Verizon the advantage of serving the customer immediately while the CLECs are waiting for facilities to be built." *Staff Counsel Initial Brief – Case No. 8881*
- As stated by MD PSC Staff Counsel, "failing to provide trunking over loop facilities when such trunking is available and when it is requested by CLEC does present a barrier to competition." *Staff Counsel Initial Brief – Case No. 8881*

Checklist Item 1 – Interconnection Entrance Facility

- In a 2/11/03 Ex Parte, Verizon reiterated its argument that the interconnection agreement between Core and Verizon requires Verizon to provide interconnection that is equal in quality to its own interoffice trunks and accordingly, if Verizon provides interconnection over shared loop facilities, it would have violated the interconnection agreement
- MD PSC Staff Counsel also states that Verizon has “...mischaracterized its obligations under the Telecommunications Act of 1996 (the ‘Act’) to provide interconnection on terms that are ‘equal in quality’”

Staff Counsel Reply Brief - Case No. 8881

Checklist Item 1 – Interconnection Network Modification (EB-01-MD-007)

- Verizon similarly refuses to make technically feasible modifications to its network to accommodate interconnection
- Refusal to provide a simple cross connect caused Core's Damascus interconnection project to take over 270 days
- Subject of FCC Complaint (EB-01-MD-007) and Mandamus Petition (FCC Response due 3/28/03; Core Reply due 4/7/03)

Checklist Item 1 – Interconnection ANI

- Verizon refuses to pass ANI (automatic number identifier) to Core over interconnection trunks, even though it is technically feasible to do so
- ANI is critical call routing information, and the lack thereof materially handicaps Core's ability to deploy new services
- Verizon passes ANI over FGD Trunks – the service Verizon concedes is a “retail analog” of interconnection trunks

Checklist Items 2, 4, & 5

Dark Fiber

- Inquiry request designed to fail
- Of Core's 30 requests
 - 4 not processed (interLATA)
 - 18 two business days late
 - 5 at least five business days late
 - 6 rejected for no facilities
 - All “loop” requests denied
 - Including one Core interconnection point (48 incoming strands – 40 not utilized)
 - Preparing “field survey” request

Checklist Items 2, 4, & 5

Dark Fiber

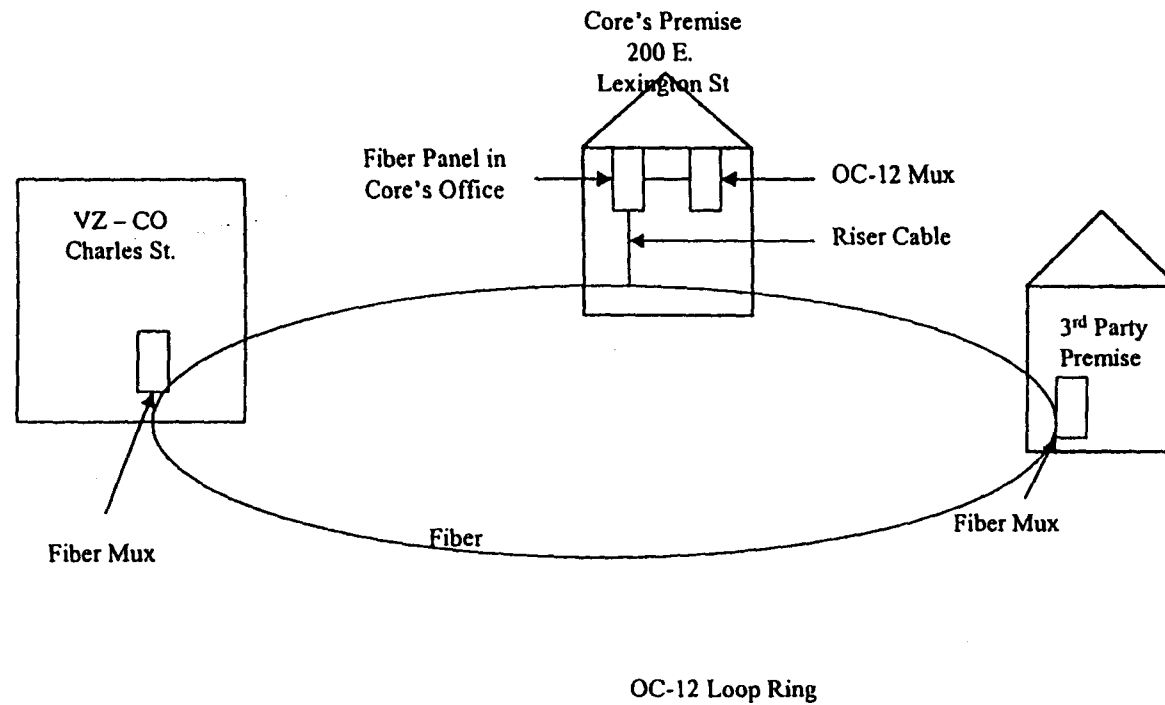
- Verizon will not provision a dark fiber transport circuit across LATA boundaries, even though
 - No such restriction exists in interconnection agreement amendment
 - No such restriction exists in FCC rules
- Verizon is relying on its “Handbook”

Public Interest

- The local market in Maryland is not irreversibly open to competition
- ISP service is the ONLY success point of entry in Maryland
- CLECs terminate over 37x the traffic they originate in Maryland
- Verizon has paid short shrift to its commitments to the MDPSC

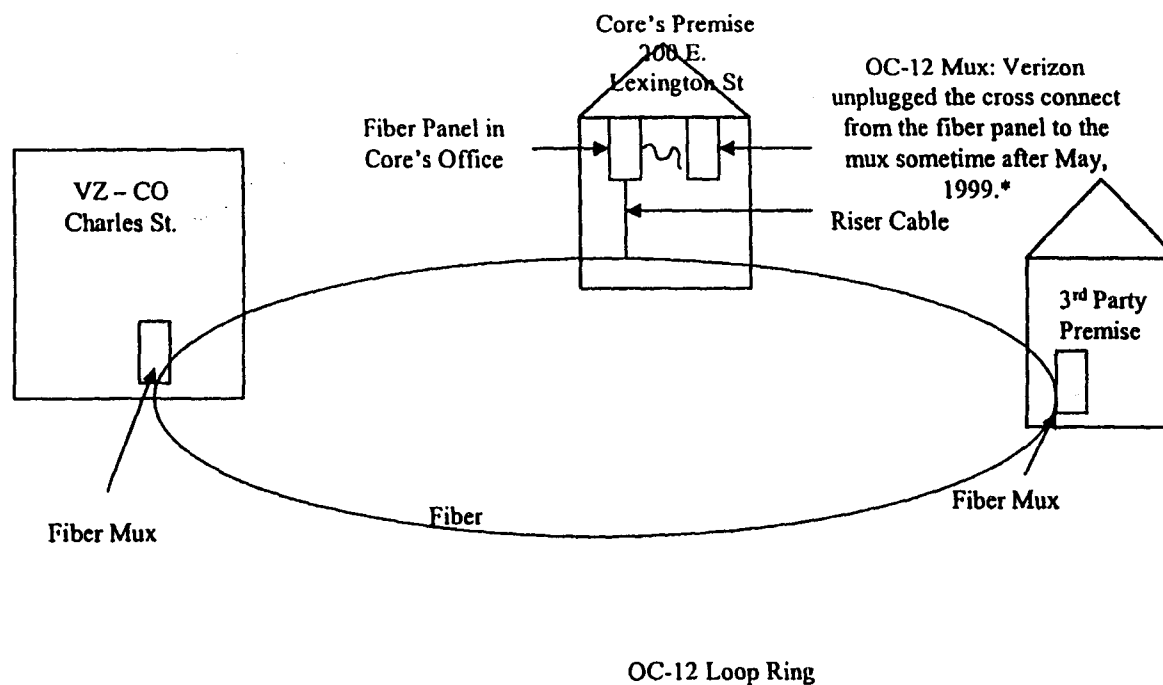
Loop

(OC-12 Ring – As built by Verizon in May 1999)



Loop

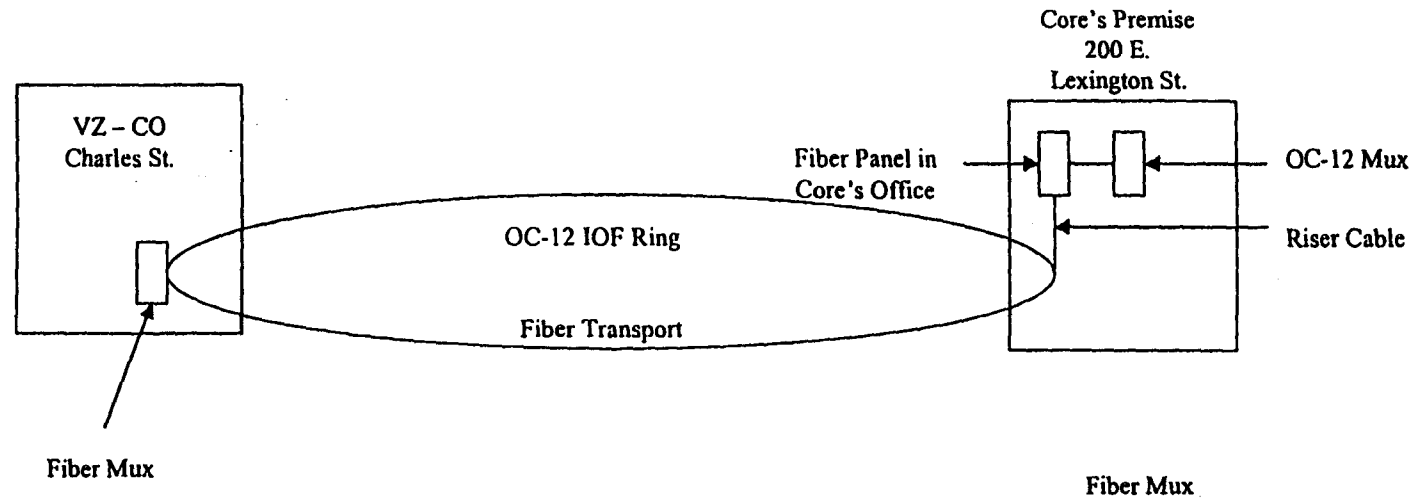
(OC-12 Ring – Post-Disconnect)



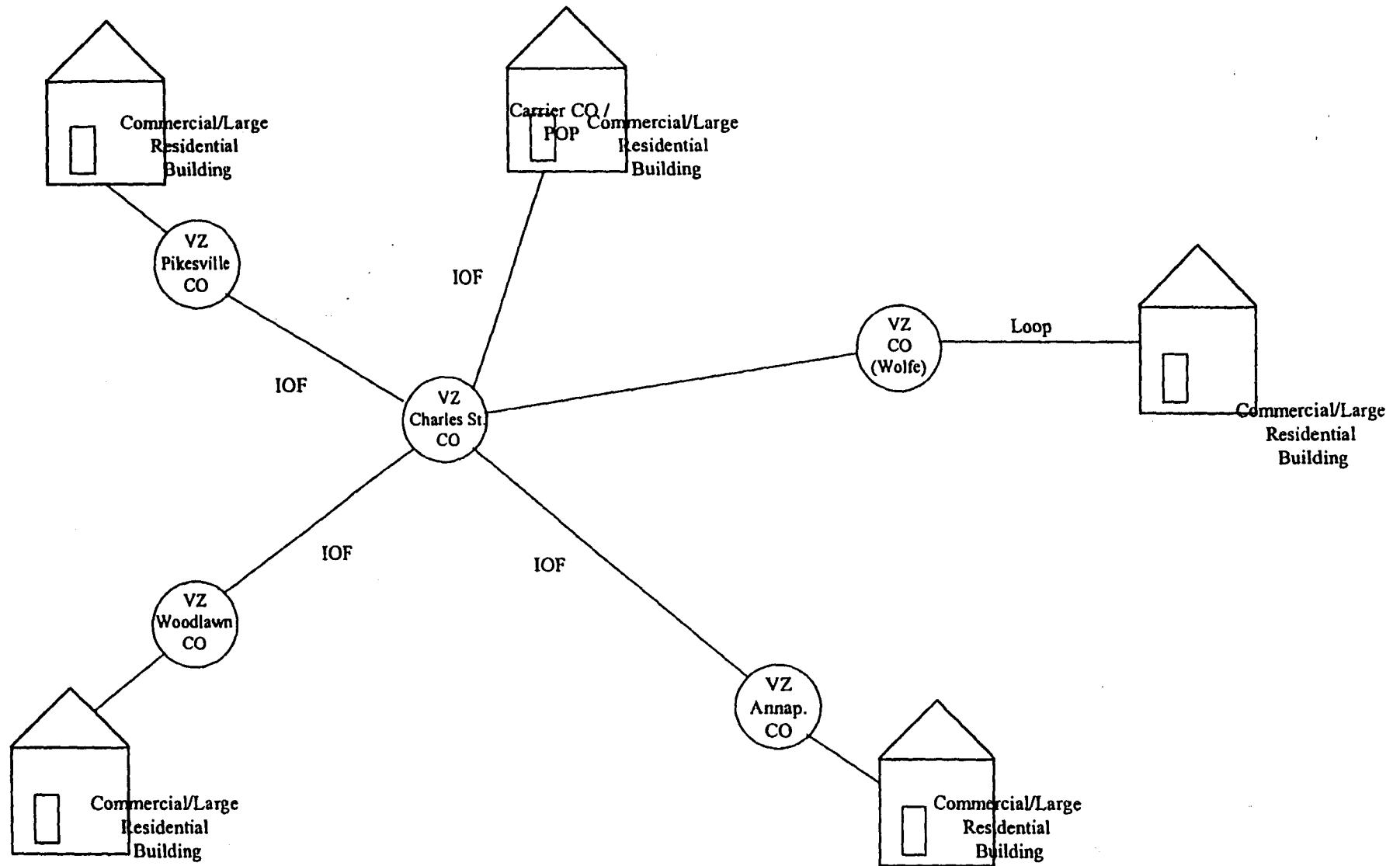
* According to Verizon witness Albert, the mux was unplugged prior to the August 11, 1999 interconnection implementation meeting. According to Core witness Mingo, the mux was unplugged after the August 11 meeting.

IOF

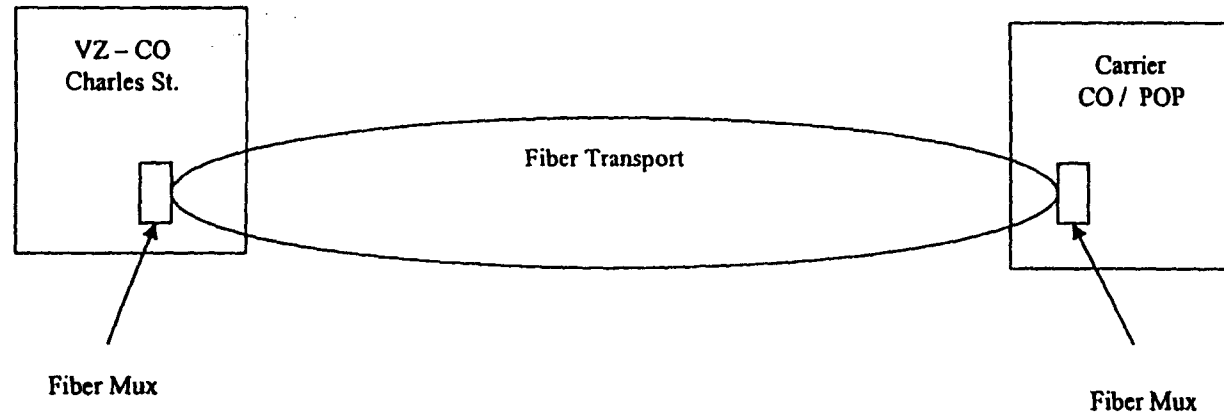
(Final Configuration with Core – Nov. 1999)



IOF vs. Loop



IOF



Loop

